

THE HONORABLE JOHN C. COUGHENOUR

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMAZON.COM, INC.,

Defendant.

No. 2:14-CV-01038-JCC

**DECLARATION OF JONATHAN M.
WERNER IN SUPPORT OF
AMAZON.COM, INC.'S MOTION TO
SEAL**

NOTE ON MOTION CALENDAR:
Friday, February 12, 2016

Jonathan M. Werner declares:

1. I am a Finance Director at Amazon. I have worked in Amazon Finance since 2005, and I was a Finance Director with responsibilities that included oversight of the Amazon Appstore's finances between March 2012 and April 2015. I make this declaration based upon personal knowledge as to which I am competent to testify.

2. I have reviewed what I understand was filed as Exhibit E to the Declaration of Aaron Rubenson in Support of Amazon.com, Inc.'s Motion for Partial Summary Judgment. The exhibit contains a table and two charts identifying refund rates for in-app purchases made through the Amazon Appstore (as a percent of units sold and percent of customers making purchases, covering the period from November 2011 through August 2015). I have also

DECLARATION OF JONATHAN M. WERNER
(No. 2:14-CV-01038-JCC) – 1

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Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101-3099
Phone: 206.359.8000
Fax: 206.359.9000

1 reviewed the portions of Amazon's Motion and Mr. Rubenson's declaration that refer to or rely
2 on the data contained in Exhibit E, including Figure 7 in the Motion.
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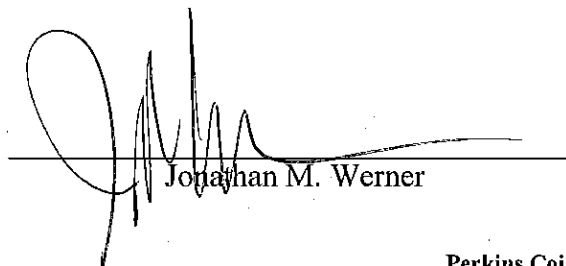
5 3. I am familiar with the refund-rate data underlying the table and charts, and in fact
6 I oversaw collection of the underlying data that were produced by Amazon in this case.
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9 4. The refund-rate data are confidential and competitively sensitive and treated as
10 such within Amazon. Amazon takes significant care to protect the confidentiality of this type of
11 nonpublic financial information. These aggregate data are not shared with anyone outside
12 Amazon. Access to the data is strictly limited to Amazon employees with a need to know the
13 information. Other Amazon personnel may not access the data. All Amazon employees with
14 access to such sensitive financial data are subject to nondisclosure agreements to protect such
15 information. When relevant to Appstore operations, Amazon Finance will run analyses on in-
16 app purchasing data and produce summaries similar to the refund-rate data that is the subject of
17 this motion to seal. When doing so, such data are marked as confidential and distribution is
18 limited within Amazon to employees with a "need to know."
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29 5. I believe that public disclosure of such data would be useful to Amazon's
30 competitors and likely would competitively harm Amazon. For example, such data could help
31 Amazon's competitors better understand the cost structure and profitability of its Appstore and
32 thereby more effectively compete with Amazon using information they would not otherwise
33 have access to.
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42 **I declare under penalty of perjury that the foregoing is true and correct.**

43 EXECUTED at 5:05pm this 2nd day of February, 2016.
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Jonathan M. Werner

CERTIFICATE OF SERVICE

I certify that on February 2, 2016, I electronically filed the foregoing Declaration of Jonathan M. Werner In Support of Amazon's Motion to Seal with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to attorneys of record.

I certify under penalty of perjury that the foregoing is true and correct.

DATED this 2nd day of February, 2016.

s/ Harry H. Schneider, Jr.